**CONNECTICUT CONFERENCE OF MUNICIPALITIES**

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# Gubernatorial Rescission Authority in CT:
# CCM Analysis-in-Brief

CCM has conducted extensive research into the history and limitations of gubernatorial rescission authority.

- Since 1991 when Connecticut General Statutes §4-85(e) was enacted, there have been only two documented instances where the governor has unilaterally rescinded "aid to municipalities": (1) Governor Malloy's recent actions; and (2) in 2002, when the General Assembly granted the governor extraordinary, temporary expanded rescission authority.

- CCM has found no statutory restrictions nor any legislative history limiting the definition of "aid to municipalities" to statutory formula grants.

- Statutory definitions of 'municipality" include, but are not limited to, town, city, borough, district, district department of health, school board, housing authority or other authority established by law, a private nonprofit corporation which has a valid contract with any town, city, borough or district to extinguish fires and to protect its inhabitants from loss by fire, any political subdivision of the state having the power to make appropriations or to levy taxes, including any town, city or borough, whether consolidated or unconsolidated, any village, school, sewer, fire or lighting, metropolitan district, beach or improvement association, and any other metropolitan tax district or association, or other municipal corporation having the power to issue bonds, and any local agency or local department administering powers granted to municipalities pursuant to the Connecticut General Statutes.

- *Thus, based on the legislative history, statutory construction, and the plain reading of the law, "aid to municipalities" as used in CGS §4-85(e) means all aid to municipalities without limitation.*

## TIMELINE

Connecticut General Statutes §4-85(e)

- Connecticut General Statutes §4-85, granting gubernatorial rescission powers is adopted in 1949.

August 1991:

- Public Act 91-3 substituted language in lieu of §4-85, including the addition of §4-85(e), exempting all "aid to municipalities" from gubernatorial rescission authority.

June 2002:

- House Bill 6002 arrives in the General Assembly by emergency certification (enacted as PA 02-01, May 9 Special Session) proposing an expansion of gubernatorial rescission authority "in addition to the provisions of §4-85 of the general statutes and with respect to the fiscal year ending June 30, 2003," by temporarily increasing gubernatorial rescissions to up to 8% of any fund and 10% of any line item.

- HB 6002 also includes language specifically exempting Education Cost Sharing, Town Aid Road, PILOT- Colleges and Hospitals, and PILOT –State Owned Property, from the expanded rescission authority. (See OLR analysis of PA 02-01, May 9 Special Session).

- On June 30, 2002, during the floor debate on House Bill 6002, Senate President Pro Tempore Kevin Sullivan made the following remarks:

  "As we go forward, for the first time, to allow some flexibility to the administration in looking at municipal aid as a potential for reductions through rescission, it is also important to note that education cost sharing cannot be one of those targets, that PILOT will not be one of those targets. The town aid to road will not be one of those targets. Those will be protected and PILOT cannot be one of those targets."

June 30, 2002:

- Emergency certified HB 6002 passes both the House and Senate of the Connecticut General Assembly.

July 1, 20002

- Governor Rowland signs HB 6002 which is ultimately enacted as PA 02-01 (May 9 Special Session).

- C.G.S. § 4-85(e), exempting all aid to municipalities from gubernatorial rescission authority, however, remains in full force. (See OLR analysis of PA 02-01, May 9 Special Session).

November 2002:

- Governor Rowland proposes $24 million in rescissions concerning aid to municipalities based upon the temporarily expanded rescission authority granted under PA 02-01 (May 9 Special Session).

- Municipal and legislative outcry ensues in response to the proposed rescissions in "aid to municipalities".

January 2003:

- The Connecticut General Assembly begins debate about the nature and extent of revisions to the budget deficit mitigation package and the new biennial budget.

February 2003- March 2003

- The Connecticut General Assembly passes, and the Governor signs, a deficit mitigation package, emergency certified HB 6495, designated PA 03-02, which enacts $40.06 million in mid-year cuts in aid to municipalities.

- Governor Rowland declines to enact most and perhaps all of the rescissions proposed in November 2002 concerning aid to municipalities. Instead, in response to the outcry of municipalities as well as the lack of drafting clarity of the actual expansion of the authority with respect to aid to municipalities in PA 02-01 (May 9 Special Session), he defers to the legislature which, as part of the deficit mitigation plan, enacts cuts in aid to municipalities, including $9.56 million from the General Fund (Drug enforcement, PILOT MME, waste water treatment, and priority school grants), $9 million from the Special Transportation fund, and $21.5 million from the Mashantucket Pequot and Mohegan Fund Grant. (See OFA Fiscal note and OLR HB 6495, PA 03-02).

June 30, 2003:

- Expanded gubernatorial rescission authority granted by Public Act 02-01 (May 9, Special Session) expires.

May 2011

- Governor Malloy proposes 10% rescission authority over aid to municipalities. OPM Secretary Benjamin Barnes states that aid to municipalities is at $2.8 billion which would then total savings to the State of at least $280 million.

- $2.8 billion in aid to municipalities far exceeds the amount of statutory formula grants the State provides to municipalities.

- General Assembly rejects expanding gubernatorial rescission authority to include "aid to municipalities".

December 2012

- Governor Malloy announces rescissions including $4.3 million in aid to municipalities (see Appendix).

- Legislature enacts a "deficit mitigation" package that includes $17.3 million in mid-year cuts to municipalities (see Appendix).

Attachment

CCM, January 2013